

IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

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IN RE:)
)
COMPLAINT OF DISCOUNT) DOCKET NO. 00-00230
COMMUNICATIONS AGAINST)
BELLSOUTH)
TELECOMMUNICATIONS, INC.)

EXECUTIVE SECRETARY

PETITION FOR INFORMATION

Comes the Office of the Attorney General & Reporter, through its Consumer Advocate Division, pursuant to Tenn. Code Ann. 65-4-118(c)(2)(B), and petitions for information from BellSouth Telecommunications, Inc. and Discount Communications, Inc. regarding the dispute between these two companies which is presently before the Tennessee Regulatory Authority ("TRA"). In particular, the Consumer Advocate Division seeks to obtain information regarding customers of these two companies who are receiving Lifeline and Link-up service. For cause the Petitioner would show as follows:

I.

1. The Consumer Advocate Division of the Office of the Attorney General is authorized by Tenn. Code Ann. § 65-4-118 (c)(2)(A) to initiate a contested case, and participate or intervene in proceedings to represent the interests of Tennessee consumers in accordance with the Uniform Administrative Procedures Act (UAPA).
2. The Consumer Advocate Division of the Office of the Attorney General is authorized by Tenn.

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Code Ann. § 65-4-118 (c)(2)(B) to petition for information when it does not have sufficient information to initiate a proceeding.

3. BellSouth Telecommunications, Inc. is a publicly held utility and is subject to the jurisdiction of the Tennessee Regulatory Authority ("Authority") pursuant to Tenn. Code Ann. § 65-4-101. Counsel for BellSouth Telecommunications, Inc. is Guy Hicks, BellSouth Telecommunications, Inc., Suite 2101, 333 Commerce Street, Nashville, Tennessee 37201.

4. Complainant Discount Communications, Inc. is a reseller of telecommunications services and has filed a complaint with the TRA in this case. Discount Communications is represented by Henry Walker of Boulton, Cummings, Connors & Berry, 411 Union Street, Suite 1600, Nashville, Tennessee 37219.

5. In a letter dated March 27, 2000, from Henry Walker, writing on behalf of Discount Communications, Discount Communications alleged that "[a]s a result of the above-captioned dispute between the parties, BellSouth has threatened to terminate service to Discount Communications, a reseller, and has already denied the company access to BellSouth's LENS system, effectively crippling Discount's ability to stay in business." Letter from Henry Walker, March 27, 2000, attached hereto as **Exhibit A**.

6. In a letter dated March 29, 2000, from Edward M. Hayes, owner of Discount Communications, to Vincent Williams of the Consumer Advocate Division, Discount Communications informed the Consumer Advocate Division of the dispute between BellSouth Telecommunications and Discount Communications, alleging that "Lifeline, Linkup and Directory Assistance are the principal matters to be considered in this case." Letter from Edward M. Hayes, March 29, 2000, attached hereto as **Exhibit B**.

7. Lifeline and Link-up are programs under Tennessee law which provide a discount on telephone service to qualifying persons, particularly persons of low income.

8. The above allegations of an adverse impact on Lifeline and Link-up customers are sufficient to warrant a Petition for Information under Tenn. Code Ann. 65-4-118 which provides as follows:

(2)(B) If the consumer advocate division concludes that it is without sufficient information to initiate a proceeding, it may petition the authority, after notice to the affected utility, to obtain information from the utility. The petition shall state with particularity the information sought and the type of proceeding that may be initiated if the information is obtained.

9. The Petitioner is currently without sufficient information to institute a proceeding, including but not limited to intervening in the present case. The petitioner, therefore, seeks the information identified in **Attachment C** to this Petition for Information and hereby incorporates said attachment by reference.

10. The type of proceeding that may be initiated by the Consumer Advocate Division, if, after a review of the requested information it is decided that intervention is warranted, is one which protects consumers in accordance with Tenn. Code Ann. § 65-4-118(c)(2)(A) ("The consumer advocate division has the duty and authority to represent the interests of Tennessee consumers of public services."), Tenn. Code Ann. § 65-4-208 (Basic local exchange service includes Lifeline and Link-up) and Tenn. Code Ann. § 65-5-201 (TRA has power to fix rates). This proceeding may be a request for intervention in the present case or the institution of a separate proceeding against Discount Communications or BellSouth, or a request for rulemaking.

Wherefore the Petitioner prays that the Authority grant its Petition for Information and for such other relief as is just.

Respectfully submitted,

Vance L. Broemel

L. Vincent Williams, 011189

Deputy Attorney General

Vance L. Broemel, 11421

Assistant Attorney General

Consumer Advocate Division

Cordell Hull Building, 2nd Floor

425, 5th Avenue North

Nashville, Tennessee 37243-0500

(615)-741-8700

Certificate of Service

I hereby certify that a true and correct copy of the Complaint and Petition for Information was served on parties below via U.S. Mail, postage prepaid, this April, 4th, 2000.

Guy Hicks, Esquire
BellSouth Telecommunication, Inc.
Suite Room 2101
333 Commerce Street
Nashville, Tennessee 37201

Henry Walker, Esquire
Boult, Cummings, Conners & Berry
411 Union Street
Suite 1600
Nashville, Tennessee 37219

Vance L. Broemel

L. Vincent Williams

**BOULT
CUMMINGS
CONNERS
& BERRY
PLC**

LAW OFFICES
414 UNION STREET, SUITE 1600
POST OFFICE BOX 198062
NASHVILLE, TENNESSEE 37219

Henry Walker
(615) 252-2363
Fax: (615) 252-6363
Email: hwalker@bccb.com

March 27, 2000

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EXECUTIVE
TELEPHONE (615) 244-2582
FACSIMILE (615) 252-2380
INTERNET WEB <http://www.bccb.com/>

David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**In Re: Complaint of Discount Communications against BellSouth
Telecommunications
Docket No. 00-00230**

Dear David:

As of yesterday, I have been retained to represent Discount Communications which has a pending complaint against BellSouth Telecommunications, TRA, Docket 00-230. I have been told that the case will be on the March 28 conference agenda for the purpose of appointing an administrative judge to hear Discount's complaint.

The purpose of this letter is, first, to enter my appearance on behalf of Discount and, second, to ask that if a administrative judge is appointed, one be named tomorrow so that Discount Communications can immediately seek interim relief.

As a result of the above-captioned dispute between the parties, BellSouth has threatened to terminate service to Discount Communications, a reseller, and has already denied the company access to BellSouth's LENS system, effectively crippling Discount's ability to remain in business. (See attached Affidavit)

Therefore, I request that, if an Administrative Judge is appointed, that he be named at, or shortly after, the TRA's public meeting tomorrow, so that Discount may request interim relief pending the outcome of a hearing on Discount's complaint.

Sincerely,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

Henry Walker

HW/nl

c: Guy Hicks, counsel for BellSouth Telecommunications

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EX.A



ATM/Discount Communications Inc.

"Your Complete Telecommunications Provider"

3798 Park Avenue
Memphis, TN 38111-6649
Phone...(901) 843-6070
Toll Free 888 639-0669
Fax...(901) 327-2809
www.atm-disc.com

RECEIVED

MAR 29 2000

STATE ATTORNEY GENERAL
CONSUMER ADVOCATE DIVISION

March 29, 2000

The Honorable L. Vincent Williams, Consumer Advocate
Office of The Attorney General and Reporter
425 Fifth Avenue North
Nashville, TN 37243-0485

**In Re: Complaint of Discount Communications against
BellSouth Telecommunications
Docket No. 00-00230**

Dear Mr. Williams,

Greetings and warmest felicitations to you and your staff. I am writing you today because the people of Tennessee need your help.

On Tuesday March 28, 2000 the aforementioned matter was discussed before the Tennessee Regulatory Authority (TRA). This complaint will be heard on Tuesday April 11, 2000. On behalf of Tennessee's consumers I am formally requesting that you intervene in this matter especially to safeguard the interests of every end user in general and especially those whom our company endeavors to serve.

Lifeline, Linkup and Directory Assistance are the principal matters to be considered in this case. Federal law and public policy, as you know, mandate these programs. In this regard, there are two hundred and sixty eight providers (268) of local phone service in Tennessee, including incumbent local exchange companies, competing local exchange companies, and resellers such as Discount Communications. To the best of our knowledge, we are the only resellers providing *Lifeline* and *Linkup* service in Tennessee: the rest of our competitors are operating in violation of public policy, if not the law. If we are put out of business due to unfair, unethical and perhaps illegal business practices the citizens of Tennessee will be denied access to this much needed service.

Please let me hear from you regarding this matter immediately.

Sincerely,

Edward M. Hayes
Edward M. Hayes
Owner

EX. B

"Your Complete Telecommunications Provider"

Questions for BellSouth

1. Is it BellSouth's contention that the filing of either its Directory Assistance Tariff or the modification of its Lifeline tariff modifies its contract with Discount Communication?
2. If BellSouth contends that modification of its tariffs constitute a modification of its contracts, please explain fully how BellSouth believes:
 - (a) Mutuality of assent is achieved prior to the modification?
 - (b) How a meeting of the minds is achieved prior to the modification?
 - (c) What is the consideration of the modification?
 - (d) How was mutuality of assent given by Discount Communications?
 - (e) How was a meeting of the minds achieved with Discount Communications?
 - (f) What was the consideration given for modification of the contract with Discount Communications?
3. For each month from January 1, 1999 through February 29, 2000 identify the number of BellSouth Telecommunications Lifeline customers provided service in Shelby County Tennessee.
4. Does BellSouth Telecommunications, Inc. terminate service to Lifeline customers for non- payment?

If yes, please state if service to Lifeline customers is terminated for nonpayment of

- (a) interLATA long distance bills,
- (b) intraLATA long distance bills,
- (c) local service bills,
- (d) directory assistance charges, or
- (e) for other services billed on behalf of BellSouth's non-regulated operations or other providers.

EX. C

5. For each month from January 1, 1999 through February 29, 2000 identify the
- (a) total number of BellSouth Telecommunications Inc.'s Lifeline customers in Shelby County, Tennessee whose service was terminated for nonpayment; and
 - (b) the number of BellSouth Telecommunications Inc.'s Lifeline customers in Shelby County, Tennessee customer whose service was terminated for nonpayment of :
 - (i) local service,
 - (ii) long distance service, and
 - (iii) other service.
6. Does BellSouth Telecommunications Inc. offer Lifeline customers blocking of long distance service?
- If yes, identify the tariff section and tariff page that provides for such blocking and the rate charged.
7. Does BellSouth Telecommunications Inc. offer Lifeline customers blocking of access to directory assistance?
- If yes, identify the tariff section and tariff page that provides for such blocking.
8. Is it BellSouth Telecommunication Inc.'s position that it is prohibited by federal or state statute, rule, or regulatory order from blocking or offering blocking of access to directory assistance to Lifeline customers?
- If yes, please identify the specific statute(s), rule(s), regulatory order(s) that prohibits BellSouth Telecommunications, Inc. from blocking or offering blocking of access to directory assistance to Lifeline customers. In citing orders please provide the agency issuing the order, the docket number, the date of issue, and the paragraph number if applicable.
9. Is it BellSouth Telecommunications Inc.'s position that the Tennessee Regulatory Authority is prohibited by federal or state statute, rule, or regulatory order from requiring BellSouth Telecommunications Inc. or other service providers from offering directory assistance blocking?
- If yes, please identify the specific statute(s), rule(s) or order(s) that prohibit the Tennessee Regulatory Authority from requiring the blocking or the offering of such blocking. In citing orders please provide the agency issuing the order, the docket number, the date of

issue, and the paragraph number if applicable.

10. Does BellSouth Telecommunications Inc. offer any customers blocking of access to directory assistance?

If yes, identify the tariff section and tariff page that provides for such blocking.

11. Is it technologically feasible to provide directory assistance blocking on a stand alone basis?
12. Is it feasible to provide directory assistance blocking after a predetermined monthly allowance?
13. Please identify any other Regional Bell Operating Company (RBOC) or other incumbent local exchange company that to BellSouth Telecommunications Inc.'s knowledge offers blocking of directory assistance?
14. For BellSouth Telecommunications, Inc.'s Lifeline service customers whose service has been terminated for nonpayment and later restored, identify the average number of days between termination and restoration of service.
15. For BellSouth Telecommunications, Inc.'s Lifeline service customers who are delinquent in paying their telephone bills, identify the average numbers of days that the bills are delinquent.
16. (a) Please confirm or correct the following comparison of the amount billed a BellSouth Lifeline customer in a Group 5 exchange and the amount that would be billed to a reseller who would resell BellSouth Telecommunications, Inc.'s Lifeline service to the same customer.

Group 5 Exchange	BellSouth Charge to Lifeline Customer When the Customer is a Customer of BellSouth	BellSouth Charge to Reseller When Lifeline Customer is a Customer of the Reseller	Amount Collected from Reseller Exceeds Amount Collected From BellSouth Lifeline Customer
Base Rate	\$12.15	\$10.21	(\$1.94)
Subscriber Line Charge	3.50	3.50	0.00
Total Charge Before Credit	\$15.65	\$13.71	(\$1.94)
Lifeline Credit(Federal Support)	(7.00)	(7.00)	0.00

Intrastate Credit	(3.50)	0.00	3.50
Total Collected from Lifeline Customer	\$5.15	\$6.71	\$1.56

- (b) Does BellSouth Telecommunications, Inc. agree that even with the 16% discount on resold service, it bills more to a reseller who provides service to a Lifeline customer than it would bill the same Lifeline customer served directly by BellSouth?
17. For each month January 1999 through February 2000 identify the number of Lifeline lines provided by BellSouth Telecommunications, Inc. to resellers in Shelby County, Tennessee.
18. For each month January 1999 through February 2000 identify the amount billed Discount Communications for:
- (a) Lifeline Customers, and
- (b) Directory Assistance Service provided to Lifeline Customers.
19. To BellSouth Telecommunications Inc.'s knowledge, does any reseller in Tennessee, other than Discount Communications, resell BellSouth's Lifeline service?
20. Does BellSouth Telecommunications Inc. agree that at June 6, 1995 it was providing Lifeline service to ratepayers in Tennessee?
21. If BellSouth Telecommunications Inc. agrees that at June 6, 1995 that it was providing Lifeline service to ratepayers in Tennessee, identify the source of any implicit subsidy that provided funds to offset the intrastate credit.
22. Please identify the source of any implicit or explicit subsidy that offsets the current intrastate Lifeline credit.
23. Please detail "Link-up" credits for lines sold to Discount Communications for resale (on a monthly basis) for January, 1999 through February, 2000. Please provide a narrative explaining the procedure for credits passed to the end user/Discount Communications.
24. Did BellSouth Telecommunication Inc. represent through its actions, or tariffs at the initiation of its contract with Discount Communications that directory assistance was included in the service provided at the basic local exchange service rate?

25. Please explain your answer to No. 24.
26. Is the directory assistance charge a consideration for use?
27. If the answer to item 26 is yes, please explain why its isn't a toll charge subject to toll blocking?

Questions for Discount Communications.

1. For each month January 1999 through February 2000 identify:
 - (a) The total number of BellSouth Telecommunications, Inc. lines resold by Discount Communications in Shelby County, Tennessee.
 - (b) The total number of BellSouth Telecommunications, Inc. residential lines resold by Discount Communications in Shelby County, Tennessee.
 - (c) The total number of BellSouth Telecommunications, Inc. Lifeline lines resold by Discount Communications in Shelby County, Tennessee.
2. Is it Discount Communications' position that it has a legal obligation to offer Lifeline service to qualifying customers within its service area?

3. Provide in comparative format with BellSouth's Rates, Discount Communications' charges and the offsetting credits for Lifeline service in Shelby County, Tennessee.

	BellSouth Lifeline Service	Discount Telecommunications Lifeline Service	Discount Telecommunication's Exceeds BellSouth By
Basic Rate	\$12.15		
Subscriber Line Charge	3.50		
Other Charges(Specify)			
*			
Total Lifeline	\$15.65		
Less: Federal Credit	(7.00)		
Intrastate Credit	(3.50)		
	\$5.15		

* Identify any service that Discount Communications requires a Lifeline customer to purchase that is not required to be purchased by a Lifeline customer served directly by BellSouth Telecommunication Inc..

4. For each month, January 1999 through February 2000 identify the total revenue billed by Discount Communications to Lifeline customers in Shelby County, Tennessee.
5. For each month January 1999 through February 2000 identify the total amount billed to Discount Communications by BellSouth Telecommunications Inc. for Lifeline service provided in Shelby County, Tennessee.
6. For each month January 1999 through February 2000 identify the total amount billed to Discount Communications by BellSouth Telecommunications Inc. for directory assistance service provided to Lifeline customers in Shelby County, Tennessee.
7. For each month, January 1999 through February 2000 identify the number of Lifeline customers to whom Discount Communications terminated service for nonpayment.
8. Provide a copy of Discount Communications' tariff or contract language that addresses the termination of Lifeline service due to nonpayment.
9. For Discount Communications' Lifeline service customers whose service has been

terminated for nonpayment and later restored, identify the average number of days between termination and restoration of service.

10. For Discount Communications' Lifeline service customers who are delinquent in paying their telephone bills, identify the average numbers of days that the bills are delinquent.
11. Does Discount Communications block or have blocked all Lifeline service customers' access to long distance service?
12. Does Discount Communications block or otherwise prohibit Lifeline customers from accessing any other services available to non-Lifeline customers?

If yes: Please identify all services that Discount Communications prohibit Lifeline customers from accessing.

13. Please provide a copy of Discount Communications' current tariff pages pertaining to the provision of Lifeline service.
14. Does Discount Communications have any knowledge of any incumbent local exchange carrier that offers blocking of directory assistance access after a predetermined call allowance to Lifeline customers?
15. Does Discount Communications have any knowledge of any incumbent local exchange carrier that offers blocking of directory assistance to any customers?
16. Please identify the applicable charge for residential customers to initiate service with Discount Communications including reference to tariff.

Additionally, please provide the amount of "Link-up" credit passed back to customers as addressed above; also, provide the total net charge billed by Discount Communications to new customers reflecting the "Link-up" credit.

17. Please detail the number of "Link-up" customers connected to Discount Communications by month January, 1999 through February, 2000 (also provide the dollar amount of credits passed back to customers in the same manner).
18. Please detail the number and amount of, "Link-up" credits passed back to Discount Communications' customers from BellSouth for January, 1999 through February, 2000 by month.
19. Please provide a complete copy of Discount Communications' tariff "highlighting" all references to "Lifeline" and "Link-up" service.

20. Please summarize exemptions, allowances, other extenuating circumstances detailed in your tariff which provides customers with directory assistance at no cost throughout the month regardless of frequency consistent with BellSouth's tariff A3.13.2. Please summarize (in paragraph form) the procedure for authorizing exemption eligibility status and the coding of billing records to allow directory assistance (above).
21. Please provide the number of customers (billing records) identified as meeting the criteria enumerated in question #20 on a monthly basis from January, 1999 through February, 2000.
22. Please provide the methodology utilized in keeping the billing records identified in question #20 current.
23. Please identify the number of Discount Communications' customers who were exempt from directory assistance charges in accordance with the criteria prescribed in BellSouth's tariff A3.13.2 for each month January, 1999 through February, 2000.
24. Did BellSouth Telecommunications Inc. represent through its actions, or tariffs at the initiation of its contract with Discount Communications that directory assistance was included in the service provided at the basic local exchange service rate?
25. Please explain your answer to No. 24.